Manhattan

Google Cloud



2023 Unified Commerce Benchmark Industry Playbook

Home Furnishing





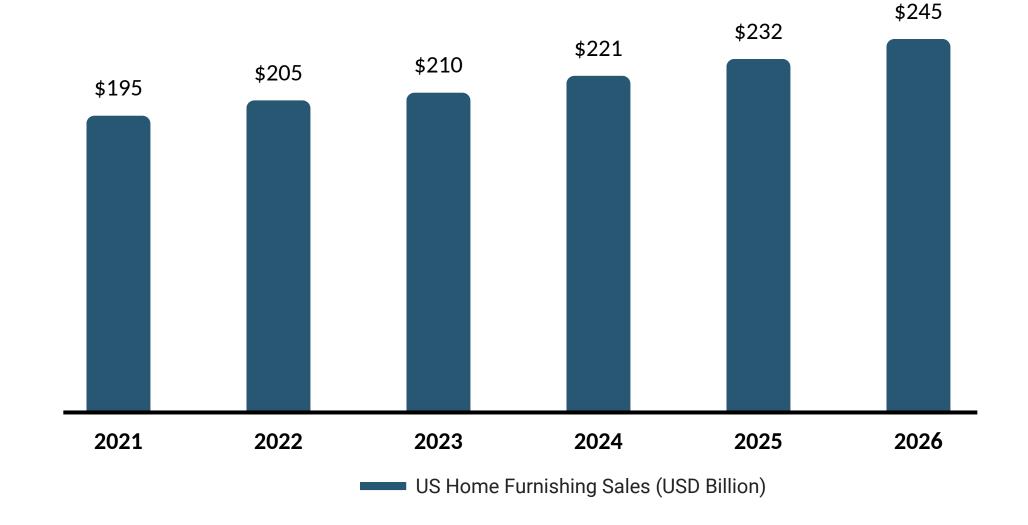


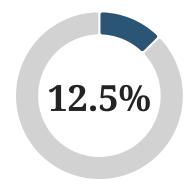
Market Perspective



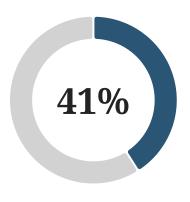
Home Furnishing sales are projected to grow at a CAGR of ~4.5% from 2021-2026 to to an overall market size of \$245 billion, from \$195 billion in 2021.

Home Furnishing brands lare making significant investments in shoring up their digital capabilities across returns management, inventory visibility, fulfillment capabilities, and personalized shopping experiences both online and in-store.

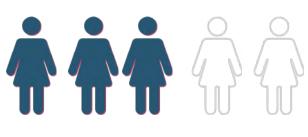




projected CAGR (2021-2026) for online Home Furnishing sales.

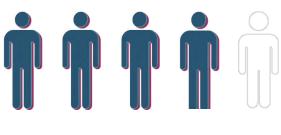


of shoppers are ready to pay more for customized home furnishing products.



3 in 5

consumers increased their spend on Home Furnishing goods in 2022 vs 2021.



4 in 5

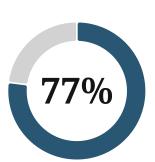
shoppers are willing to pay extra for an enhanced experience.

Digital is default.

In the Home Furnishing segment, shoppers are embracing digital platforms for inspiration, comparison, and purchasing decisions. The integration of digital and physical experiences is crucial as shoppers seek seamless, personalized interactions with brands throughout their journey.

For example, a shopper looking to redesign their living room might explore furniture styles on Houzz, use an augmented reality app to visualize a new sofa in their space, and then visit a physical showroom to try it out. Home Furnishing brands must adapt to this merging of digital and physical worlds to cater to evolving shopper expectations.

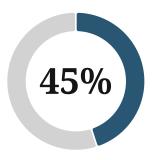




of all Home Furnishing shopper journeys now begin online.



digital share of Home Furnishing retail.

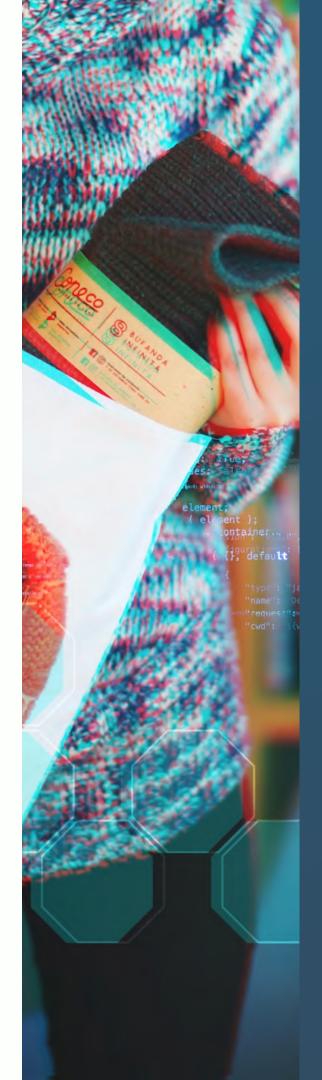


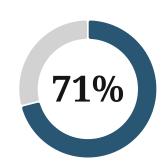
growth in home delivery of Home Furnishing goods in 2021 vs 2020.

Convenience is a commodity.

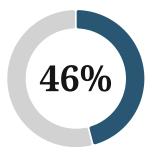
As convenience becomes a key factor for Home Furnishing shoppers, brands must go beyond fast delivery and hassle-free returns. They should reshape shopper expectations by offering a range of services that cater to their diverse needs and preferences.

For instance, shoppers may value options such as white glove delivery, assembly services, or design consultations to help them achieve their desired home aesthetic. By providing these additional services, Home Furnishing brands can differentiate themselves and create exceptional experiences for their shoppers.





of shoppers value expedited delivery and are willing to pay a \$5 premium.



of shoppers find the returns process cumbersome.



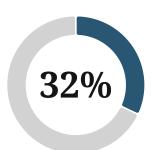
of shoppers prefer self-service options for order modifications and cancellations.

Virtue is a brand.

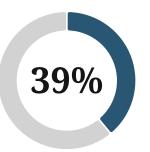
Today's Home Furnishing shoppers are increasingly conscious of the impact their choices have on the environment and society. They expect brands to demonstrate commitment to sustainability, ethical practices, and social equity.

For example, shoppers may be drawn to brands that use eco-friendly materials, adopt circular economy practices, or partner with organizations that promote fair labor standards. By aligning with shoppers' values and being transparent about their practices, Home Furnishing brands can build lasting connections and foster loyalty among their audience.

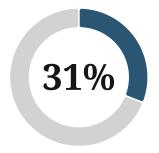




of Home Furnishing retailers publish ESG scorecards and impact of fulfillment choices.



of shoppers are more likely to purchase a product with recyclable packaging.



of shoppers are satisfied with their preferred retailers' sustainability practices.

Unified Commerce Benchmark Overview



Benchmark Overview

Incisiv's 2023 Unified Commerce Benchmark Index for Specialty Retail



Search & Discovery

Effectiveness, relevance, and maturity of digital selling experiences.

80 attributes



Cart & Checkout

Order personalization, inventory visibility, checkout steps and payment options, order pickup and returns

42 attributes



Promising & Fulfillment

Availability, speed, cost, and convenience of fulfillment

61 attributes



Service & Support

Resolution, returns, customer assistance, loyalty program, and account management

103 attributes

This Industry Playbook is based on insights from the 2023 Unified Commerce Benchmark Index for Specialty Retail.

Learn more about the Index here.

124

retailers benchmarked across multiple specialty retail segments. **17**

retailers chosen from the 124 for curated insights in industry segment specific Playbook.

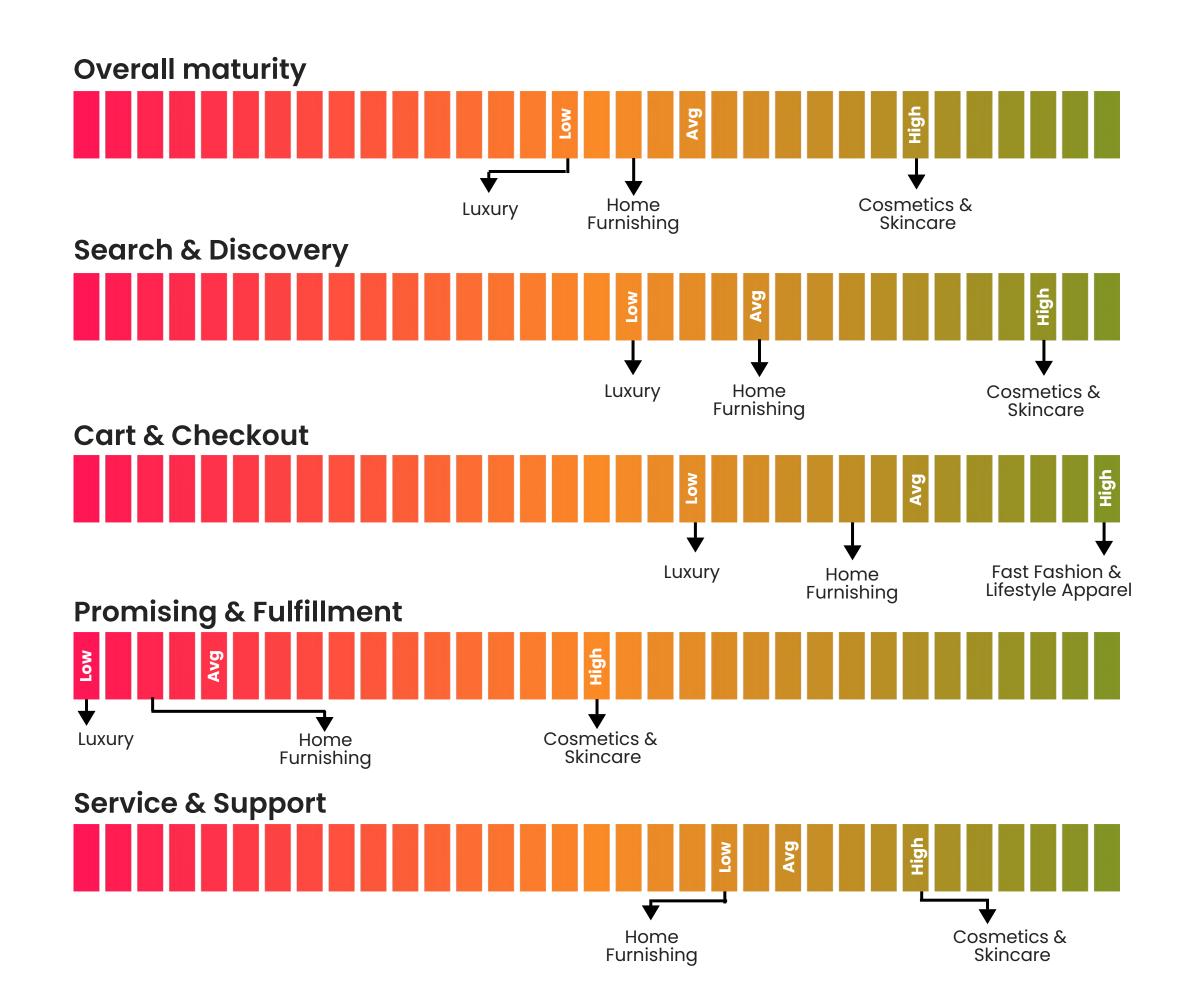
280+

customer experience capabilities assessed in both, peer and industry segments

Industry Maturity

Home Furnishings exhibits a maturity level between the lowest and average in Unified Commerce compared to other industry segments. Key observations and recommendations include:

- Improve overall performance: To elevate the Home Furnishings segment, focus on enhancing the overall shopping experience by investing in areas such as Cart & Checkout and Promising & Fulfillment, which currently fall below the industry average.
- Enhance Service & Support: As the lowest-performing area, a significant opportunity exists to differentiate Home Furnishings brands by improving customer service and support, ultimately increasing customer satisfaction and loyalty.
- Leverage digital capabilities: Utilize
 digital tools and technologies that unify
 the physical and the digital, to create
 seamless and engaging experiences
 that better cater to the needs of home
 shoppers and boost overall
 performance in the segment.





Home Furnishing Leaders

Incisiv recognizes these 4 Home Furnshing brands as Leaders in the 2023 Unified Commerce Index across all rating categories.

The Index includes a complete Leaderboard spanning 124 retailers across multiple specialty retail segments. Leaderboards are provided at both an overall and capability area level.

Learn more.

Home Furnishing Retailers Rated as Leaders, in Alphabetical Order



Crate&Barrel

0 | PF | SS

Dillard's
The Style of Your Life.

SS



• O = Overall

SD - Search & Discovery

CC - Cart & Checkout

PF = Promising & Fulfillment

SS = Service & Support

Search & Discovery



Search & Discovery

Why it matters.

Search & Discovery refers to a set of retailer capabilities and experiences to provide personalized experiences to shoppers based on their intent. This includes curating a shopping experience that meets the shopper's needs, whether they are searching for a specific item, exploring a brand for the first time, or shopping for a particular occasion.

33% higher conversion rate

for shoppers who initiate engagement with a retailer with a product search.

65% of shoppers

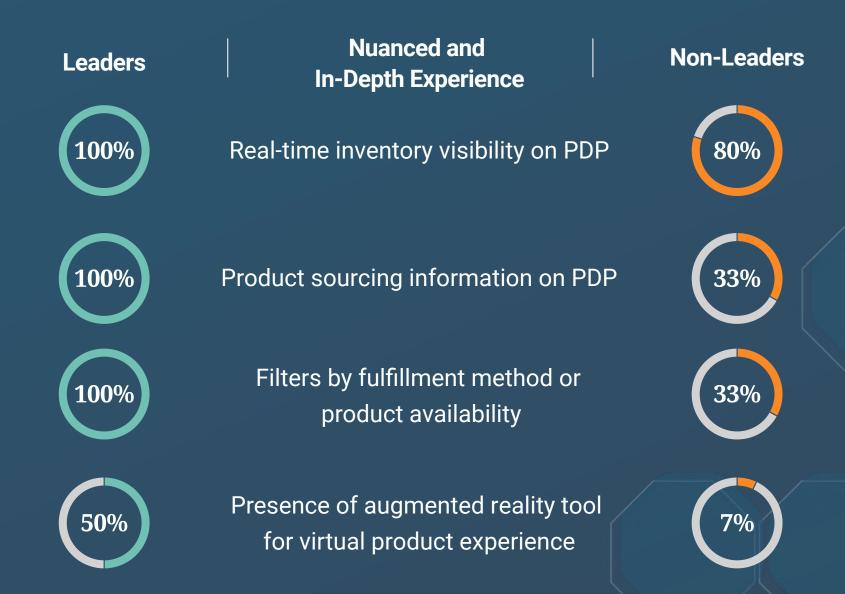
value display of accurate product availability status and precise order promising information.

80% of shoppers

prefer using augmented reality (AR) tools to simplify purchase decisions and enhance their online shopping experience.

What Leaders do well.

Leading retailers stand out in search and discovery, offering customers real-time visibility of inventory, detailed product sourcing information, user-friendly filters, and innovative augmented reality tools. These exceptional capabilities enhance the shopping experience, allowing for effortless product exploration and ensuring customer satisfaction.



Search & Discovery

Standout capabilities.

Luxury retailers excel in the search and discovery space with enhanced findability, offering filters for specific product categories. Real-time inventory visibility, both online and in-store, is now the norm, providing customers with an endless aisle experience. Luxury retailers also offer detailed product visibility, showcasing new arrivals, best sellers, and online exclusives.



Enhanced findability: Filter products by specific category



Endless aisle experience: Real-time inventory visibility both online and at store



Detailed product visibility: Callouts for new arrivals best sellers or online exclusive products

Improvement opportunities.

While luxury retailers excel in several areas of search and discovery, there are still areas for improvement. These include advanced findability with the option to filter products by fulfillment method or sustainability, personalized product recommendations based on browsing history and past purchases, and an augmented or virtual reality experience for a more immersive shopping journey.



Advanced findability with option to filter products by fulfillment method or sustainability



Personalized product recommendations based on browsing history/ past purchases

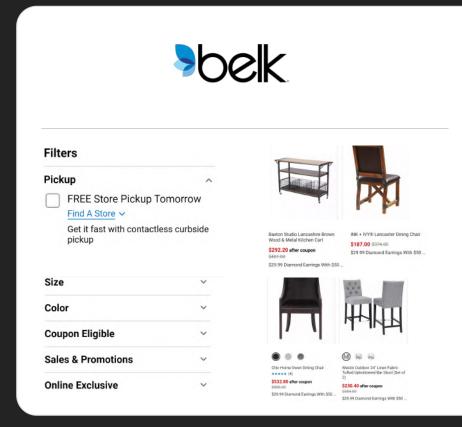


Augmented/virtual reality experience

Search & Discovery

Spotlight: Shopper Inspiration

Leading retailers strive to deliver an unforgettable shopping journey through tailor-made attention, outstanding in-store assistance, impactful product display and other tactics that foster enduring customer relationships. Additionally, they incorporate expansive search filters to simplify product discovery, and they provide augmented virtual shopping experiences that immerse customers in a digital realm that mimics the in-store atmosphere.

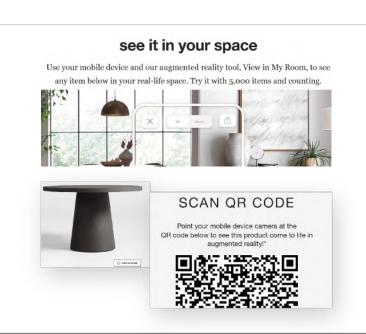


Expansive search filters for a simplified product discovery experience

Product filters allow shoppers to focus on a specific category, subcategory, or item(s), enabling more efficient discovery. However, only 41% of retailers offer the option to filter products by fulfillment method.

Belk offers over 10 filters, including fulfillment options, categoryspecific, and product attributes such as style, material, size, and color.

Crate&Barrel



Augmented virtual shopping experience

55% of shoppers reported that the actual appearance, texture, and size of the product differed significantly from the online images. This has resulted in a shift towards interactive and influencer-based shopping where customers prefer to explore virtual shopping experiences.

Crate & Barrel offers an augmented reality tool that allows shoppers to view products in real-life space using their mobile devices.

Cart & Checkout



Cart & Checkout

Why it matters.

Cart & Checkout refers to the capabilities and experiences provided by retailers to help shoppers make positive purchase decisions. Retailers must ensure a seamless shopping experience, especially when shoppers switch between physical and digital channels.

76% of shoppers

say that checkout is the #1 area retailers should focus on in order to improve in-store experience.

60% of shoppers

value expedited shipping options for making purchases online.

26% of shoppers

abandon their shopping cart because they perceive the checkout process to be too long.

What Leaders do well.

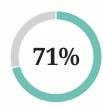
Leading retailers thrive in cart and checkout experiences, providing visible promo codes, streamlined checkout processes, flexible payment methods, and a commitment to sustainability by accepting old products for recycling or donations. These improvements prioritize convenience and demonstrate their dedication to environmental responsibility.

Leaders	Nuanced and In-Depth Experience	Non-Leaders
100%	Ability to see available promo codes in cart view	69%
100%	Expedited one-step checkout	56%
100%	Ability to use mixed payment methods for same order	44%
100%	Accepting old products for recycling or donations	6%

Cart & Checkout

Standout capabilities.

Luxury retailers stand out in the cart and checkout process by offering expedited one-step and guest checkout options, allowing customers to view and apply promo codes/coupons during checkout, and providing a unified cart across devices. These capabilities result in a seamless checkout experience, making it easier for customers to complete their purchases without any inconvenience.



Expedited one-step and guest checkout options



View and apply promo codes/coupons at checkout



Unified cart across devices

Improvement opportunities.

Luxury retailers can enhance their service and support offerings in multiple ways. These include implementing brand communications for abandoned cart products, expanding payment options with Apple Pay, Google Pay, or combining multiple gift cards for the same order, and offering advanced ordering options like product customization or preorder to improve the overall customer experience.



Brand communications for products left in cart



Expanded payment options: Apple Pay, Google Pay or combine multiple gift cards for same order

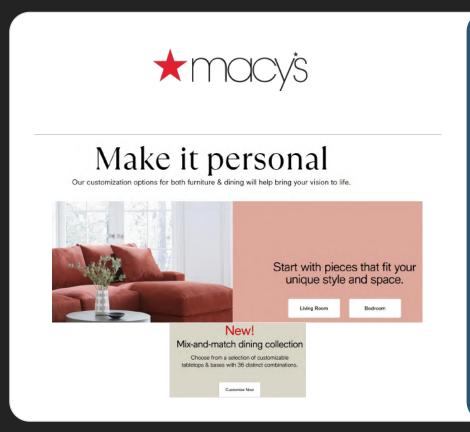


Advance ordering: Product customization/ personalization or pre-order

Cart & Checkout

Spotlight: Seamless Checkout

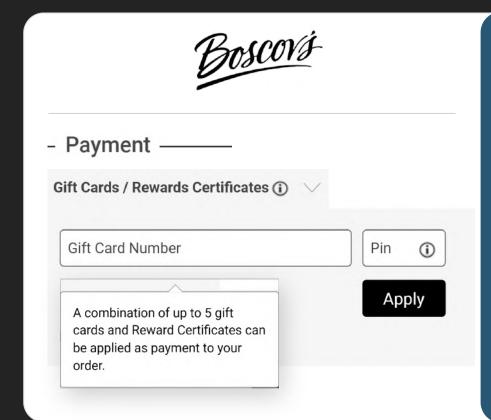
To ensure a smooth and hassle-free customer experience, retailers must align their physical and digital channels. Topperforming retailers are striving towards a cohesive shopping cart system and enabling customers to trade in or donate old items. They also leverage product customization and personalization to strengthen customer engagement. Moreover, providing flexible payment methods can simplify the checkout process, making it more convenient for customers.



Product customization / personalization

Home improvement retailers are creating a personalized shopping experience by allowing shoppers to customize their products with options such as color and material, and by offering free swatches for materials or color selection. 65% of shoppers say that a personalized experience impacts their brand loyalty.

Macy's offers a personalized shopping experience by allowing shoppers to order free swatches and customize their products based on their preferences, such as style and color.



Flexible payment options for easier checkout

40% of shoppers favor having payment flexibility, which includes the option to use various payment modes to pay for an order. Offering multiple payment options and the ability to use several gift cards at once helps simplify the checkout process, leading to higher customer satisfaction.

Boscov's offers flexible payment options that allow shoppers to redeem up to 5 gift cards to complete a transaction.

Promising & Fulfillment



Promising & Fulfillment

Why it matters.

Promising & Fulfillment refers to the set of retailer capabilities and experiences that provide shoppers with convenient fulfillment options and precise order promising. Retailers should offer shoppers important ordering and delivery-related information throughout the shopping journey to improve shopper trust and increase the chances of conversion.

62% of shoppers

prefer a self-service option to edit orders after confirmation.

65% of shoppers

value real time order alerts and proactive exception alerts

58% of shoppers

prefer flexible fulfillment methods and blended shipping options during checkout.

What Leaders do well.

Leading retailers are demonstrating exceptional capabilities in fulfillment, offering convenient mixed delivery options, real-time order status updates, delivery timelines, and flexible order modification and cancellation. These enhancements streamline fulfillment, ensuring a seamless and satisfactory shopping experience.

Leaders	Nuanced and In-Depth Experience	Non-Leaders
100%	Mixed delivery option (home delivery / in-store) for same order	29%
67%	Real-time order status alerts and communication for pickup	71%
67%	View delivery timelines basis destination zipcode at checkout	36%
67%	Order cancellations or modifications post confirmation	21%

Promising & Fulfillment

Standout capabilities.

Luxury retailers stand out in promising and fulfillment due to their exceptional capabilities, including real-time order visibility with status tracking and updates, convenient curbside and store pickup options, and flexible fulfillment through in-store ordering for home or split delivery. These capabilities ensure a seamless and convenient shopping experience for customers.



Order visibility: Status tracking and updates



Availability of curbside and store pickup options



Fulfillment method flexibility: Ordering in-store for home delivery or split delivery

Improvement opportunities.

To improve fulfillment, experience, luxury retailers can add post-confirmation order modification/cancellation, consider delivery methods' carbon footprint, and provide real-time order visibility with alerts for pickup. These measures create a sustainable and transparent shopping experience for customers.



Order modification or cancellation (post confirmation)



Carbon footprint by delivery methods



Real time order visibility including alerts and proactive communications for pickup

Promising & Fulfillment

Spotlight: Flawless Fulfillment

Leaders place a high importance on ensuring a smooth delivery or pick-up process that mirrors the in-store shopping experience. They surpass customer expectations in terms of delivery and sustainability, providing options for post-order modifications or cancellations, alternative fulfillment methods, and eco-friendly delivery practices. These efforts demonstrate a dedication to improving the customer experience and addressing their changing preferences.



Home / Customer Service / FAOs / Orders

Can I make changes to or cancel my order after it has been submitted?

Our goal is to process & ship your order as quickly as possible. You have 30 minutes to change or cancel your standard shipping orders.

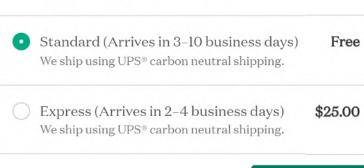
Order modifications or cancellations post purchase

71% of shoppers say that delivery flexibility plays an important role when making purchasing decisions. As customers increasingly seek out convenient options, the ability to modify or cancel orders after purchase can help encourage repeat business and foster brand loyalty.

Belk allows shoppers to modify or cancel orders within a 30-minute window post-purchase.

The Sill

Shipping method



Continue to payment

Sustainable delivery initiatives

57% of shoppers are willing to pay extra for environmentally friendly shipping options. Allowing shoppers to view the impact of their shipping decisions helps improve brand trust, instilling a sense of responsibility that leaves a positive impact on brand loyalty.

The Sill offers UPS carbon neutral shipping methods at checkout to minimize waste and reduce the impact on the environment.

Service & Support



Service & Support

Why it matters.

Service & Support pertains to the range of capabilities and experiences that offer customers personalized options to address any pre or post-purchase issues. Customers expect retailers to minimize the need for support, prioritize comprehensive self-service, but offer prompt and empathetic human assistance if needed.

71% of shoppers

value personalized interactions with brand professionals for enhanced shopping experience.

41% of shoppers

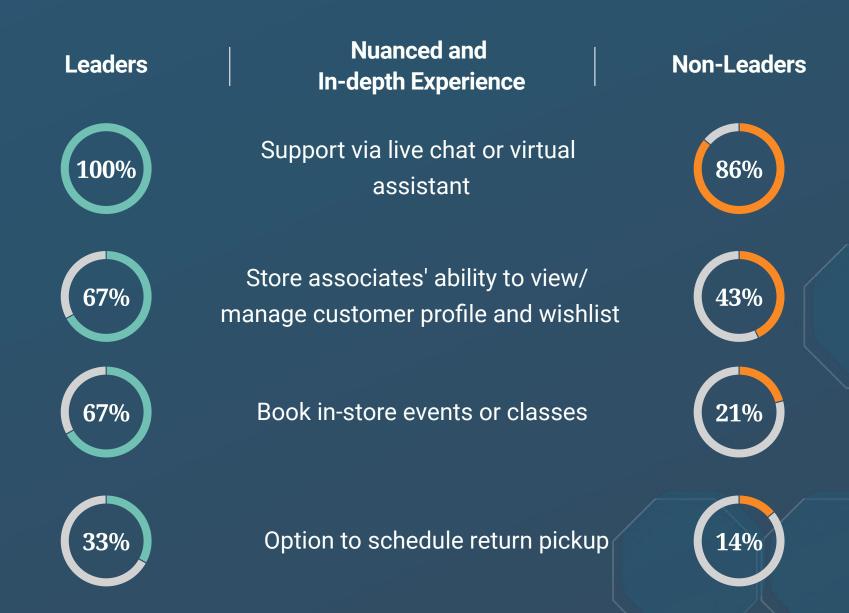
find the refund and return process to be very time consuming.

51% of shoppers

are highly inclined to making a repeat purchase from brands that offer live chat support.

What Leaders do well.

Leaders are delivering exceptional customer experiences. They provide live chat support, personalized assistance, in-store event booking, and convenient return pickups. These capabilities prioritize satisfaction and streamline support, creating a seamless customer journey.



Service & Support

Standout capabilities.

Luxury retailers offer exceptional service and support through various channels, including email, call, virtual assistant, and live chat. They also provide flexible return options, allowing customers to drop off products at UPS or the post office. Moreover, store associates can access customers' omnichannel purchase history, providing a more personalized and seamless shopping experience.



Support via email, call, virtual assistant, and live chat



Flexible returns with the option to initiate online or instore returns/exchanges or drop off product at UPS/ post office



Store associates' ability to view shopper's omnichannel purchase history

Improvement opportunities.

Luxury retailers can improve service and support by offering enhanced options like SMS or social media handle support, personalized experiences such as event scheduling or in-store design appointments, and advanced return options like tracking returns and scheduling pickups via chat or call.



Enhanced support options: SMS or social media handle



Personalized experience: Schedule events, installation services or in-store design appointments



Advanced return options: Track returns, schedule return pickup, initiate returns via chat/call

Service & Support

Spotlight: Comprehensive Service

Retail leaders prioritize providing various service options like in-store assistance, call centers, social media support, and personalized interactions to ensure quality and seamless customer experience across all channels. They also offer self-service, text messaging support, and 24/7 availability.



Still Need Assistance?

Text With Us

1-501-209-8892

Chat With Us

Chat With A Representative

Email Us

Send Us A Message

Customer support via text (SMS)

64% of shoppers prefer messaging a brand over calling for support. Texting provides retailers with the opportunity to personalize their interactions with shoppers. Moreover, they are time-saving for shoppers looking for quick responses to their queries.

Dillard's offers SMS/text based support for order status, returns, exchanges and account related assistance.

WILLIAMS SONOMA

CALIFORNIA



Book Your Free Appointment

REQUEST A FREE APPOINTMENT

From curating your kitchen to filling the pantry, we're here to help.

Select an appointment type.

Personalized interactions or service appointment

From personalized tailoring experiences to in-store service appointments, one-on-one interactions focus on connecting shoppers directly with professionals, helping build stronger relationships and create a curated shopper experience.

William Sonoma offers the option of scheduling installation services or design appointments in-store for a personalized experience.

Segment Dashboard

Category	Segment Maturity
Overall	Below Average
Search & Discovery	Average
Cart & Checkout	Below Average
Promising & Fulfillment	Below Average
Service & Support	Lowest

Retailer	Leader In
Belk	O SD PF
Crate & Barrel	O PF SS
Dillard's	SS
Macy's	O SD CC PF SS

Standout Capabilities

- Enhanced findability: Filter products by specific category (SD)
- Endless aisle experience: Real-time inventory visibility both online and at store (SD)
- Detailed product visibility: Callouts for new arrivals best sellers or online exclusive products (SD)
- Expedited one-step and guest checkout options (CC)
- View and apply promo codes/coupons at checkout (CC)
- Unified cart across devices (CC)
- Order visibility: Status tracking and updates (PF)
- Availability of curbside and store pickup options (PF)
- Fulfillment method flexibility: Ordering in-store for home delivery or split delivery (PF)
- Support via email, call, virtual assistant, and live chat (SS)
- Flexible returns with the option to initiate online or instore returns/exchanges or drop off product at UPS/ post office (SS)
- Store associates' ability to view shopper's omnichannel purchase history (SS)

Improvement Opportunities:

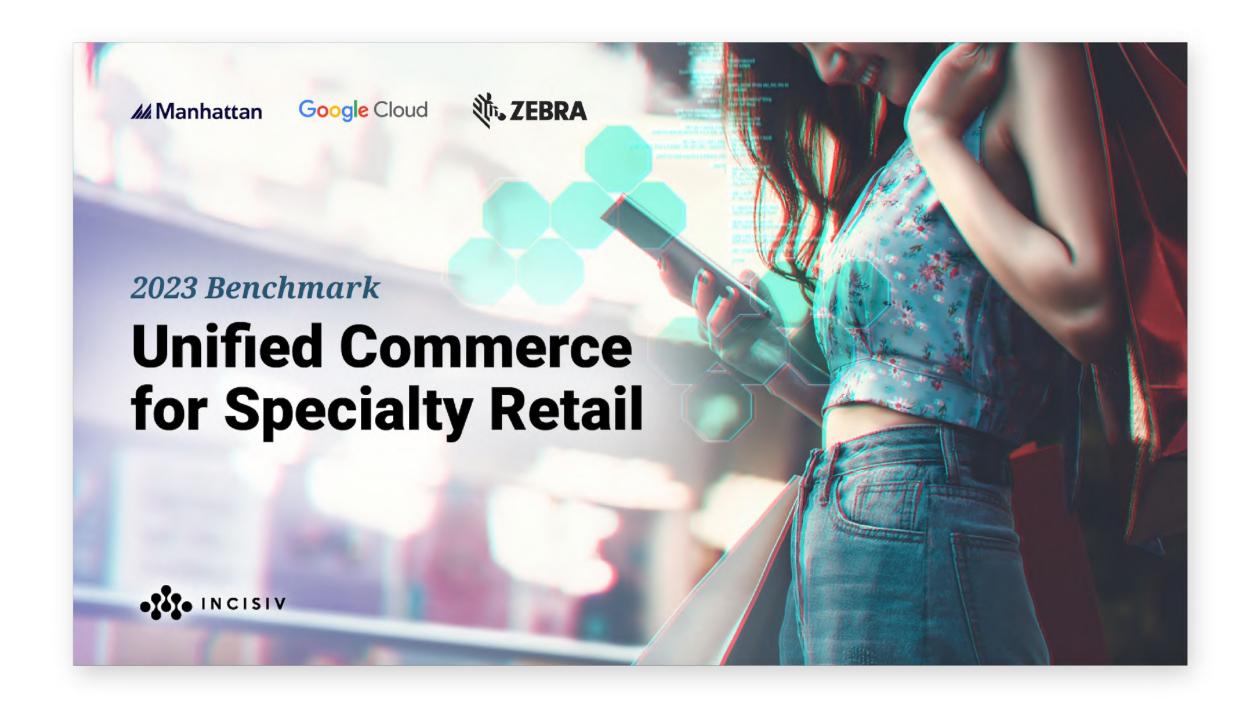
- Advanced findability with option to filter products by fulfillment method or sustainability (SD)
- Personalized product recommendations based on browsing history/ past purchases (SD)
- Augmented/virtual reality experience (SD)
- Brand communications for products left in cart (CC)
- Expanded payment options: Apple Pay, Google Pay or combine multiple gift cards for same order (CC)
- Advance ordering: Product customization/ personalization or pre-order (CC)
- Order modification or cancellation (post confirmation) (PF)
- Carbon footprint by delivery methods (PF)
- Real time order visibility including alerts and proactive communications for pickup (PF)
- Enhanced support options: SMS or social media handle (SS)
- Personalized experience: Schedule events, installation services or in-store design appointments (SS)
- Advanced return options: Track returns, schedule return pickup, initiate returns via chat/call (SS)

Dive Deeper with the 2023 Unified Commerce Benchmark for Specialty Retail

For a comprehensive analysis of unified commerce across all specialty retail segments, don't miss the "2023 Benchmark: Unified Commerce for Specialty Retail". Gain valuable insights, best practices, and in-depth case studies from industry leaders beyond your immediate peer group.

Elevate your brand's customer experience and stay ahead of the curve with the full benchmark report.







Incisiv is a peer-to-peer executive network and industry insights firm for consumer industry executives navigating digital disruption.

Incisiv offers curated executive learning, digital maturity benchmarks, and prescriptive transformation insights to clients across the consumer and technology industry spectrum.

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Google Cloud is widely recognized as a global leader in delivering a secure, open, intelligent and transformative enterprise cloud platform. Customers across more than 150 countries trust Google Cloud's simply engineered set of tools and unparalleled technology to modernize their computing environment for today's digital world.

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Manhattan

Manhattan is a technology leader focused on improving experiences and outcomes in supply chain commerce. We provide leading software solutions for omnichannel commerce, supply chain planning and supply chain execution. Our cloud-native Manhattan Active® platform technology and unmatched industry experience help increase top-line growth and bottom-line efficiency for the world's leading brands.

Manhattan designs, builds and delivers innovative solutions for stores, transportation networks and fulfillment centers, eliminating silos created by legacy commerce, warehouse, and transportation systems to create seamless operations and optimal efficiency.

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A global leader respected for innovation and reliability, Zebra offers technologies that give a virtual voice to an organization's assets, people and transactions, enabling organizations to unlock greater business value. The company's extensive portfolio of marking and printing technologies, including RFID and real-time location solutions, illuminates mission-critical information to help customers take smarter business actions.

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